

## UI Reform Bills – Changes by Effective dates

June 7, 2010

Act \_\_ (H.647) ... **An Act Relating to Misclassification of Employees to Lower Premiums for Workers' Compensation and Unemployment Compensation** (*June 1, 2010*)

Act \_\_ (S.290) ... **An Act Related to Restoring Solvency to the Unemployment Trust Fund** (*May 24, 2010*)

Act \_\_ (H.792) ... **An Act Related to Implementation of Challenges for Change** (*June 1, 2010*)

Act \_\_ (S.182) ... **An Act Relating to Determining Unemployment Compensation Experience Rating for Successor Business** (*May 24, 2010*)

### **May 24, 2010:**

- §1338 – WEEKLY BENEFIT AMOUNT (*S.290 - Section 3*)
  - Ø (i) Income tax withholding to be 24%
- §1343 – CONDITIONS AND CLAIMANT RESPONSIBILITIES (*S.290 - Section 6*)
  - Ø (a)(3) requires claimant to “participate in reemployment services” when directed
- §1344 – DISQUALIFICATIONS (*S.290 - Section 7*)
  - Ø (a)(1) Increase maximum amount of weeks to be disqualified from 12 to 15.
  - Ø (a)(2) Added meaning for “gross misconduct”

### **July 2010:**

- §1314 – REPORTS AND RECORDS; SEPARATION INFORMATION; DETERMINATION OF ELIGIBILITY (*S.290 - Section 8*)
  - Ø (c) Holds the employer’s experience rating liable if improper payment was due to non-response.
- §1314 – REPORTS AND RECORDS; SEPARATION INFORMATION; DETERMINATION OF ELIGIBILITY (*H.647 - Section 6*)
  - Ø (h) increases penalty to \$100 for late response
- §1314a – REPORTS AND RECORDS; SEPARATION INFORMATION; DETERMINATION OF ELIGIBILITY (*H.647 - Section 9*)
  - Ø (f)(1)(A) increases penalty to \$100 for late wage record report
  - Ø (f)(1)(A) creates up to a \$5,000 penalty for each improperly classified employee
- §1328 – FILING EMPLOYER QUARTERLY TAX CONTRIBUTION REPORTS; FAILURE (*H.647 - Section 10*)
  - Ø Increases penalty to \$100 for late contribution record
- STUDY – FEASIBILITY OF ENACTING SELF-EMPLOYMENT ASSISTANCE PROGRAM (*S.290 - Section 11*)
  - Ø Report due on or before January 15, 2011
- §1368 – FALSE STATEMENTS TO AVOID UNEMPLOYMENT PROGRAM OBLIGATIONS (*H.647 - Section 11*)
  - Ø Creates up to a \$5,000 penalty after notice and opportunity for hearing for a person who willfully makes a material false statement or representation to avoid becoming or remaining subject for unemployment coverage or to avoid or reduce a contribution or other payment required.
- STUDY – RELATIONSHIP BETWEEN ONE-WEEK WAITING PERIOD AND RATE AT WHICH CLAIMANTS RETURN TO WORK (*S.290 - Section 12*)
  - Ø Report due on or before January 15, 2015
- §1373 – GENERAL PENALTY; CIVIL (*H.647 - Section 12*)
  - Ø Increases penalty to be not more than \$5,000.
- RE-EMPLOYMENT SERVICES (*S.290 - Section 13*)
  - Ø Implements reemployment services in resource centers and prioritizes claimants for service.

- CONTACT OF EMPLOYERS BY CLAIMANTS; COMMISSIONER’S UPDATE OF SYSTEM (*S.290 - Section 14*)
  - Ø Enable claimants to report name and phone number of employers claimant contacted in doing his or her work searches
- EMPLOYERS’ EXPERIENCE-RATING RECORDS; DISCLOSURE TO SUCCESSOR ENTITY (*S.182 – Section 1*)
  - Ø Requires an employer to disclose current experience rating record to a potential successor upon request.

### **January 2011:**

- §1309 – ENHANCED REPORTING – “On or before January 31” was added. (*S.290 - Section 1*)
- §1321 – TAXABLE WAGE BASE CHANGES – \$13,000 (*S.290 - Section 2*)

### **July 2011:**

- §1338 – WEEKLY BENEFIT AMOUNT (*S.290 - Section 3*)
  - Ø (e) Wages excluded from WBA calculation if gross misconduct
  - Ø (f) Resume increasing WBA when fund is positive as of December 31<sup>st</sup> of prior year; change calculation of increase to be 57% of state annual average upon return to tax schedule III.
- §1340 –COMPUTATION OF BENEFITS (*S.290 - Section 5*)
  - Ø (a) implementation of variable duration.
  - Ø (b) implementation of maximum benefit amount capped at 23 weeks in cases where discharge for misconduct has been found on last employing unit
- §1344 - DISQUALIFICATIONS (*S.290 - Section 7*)
  - Ø (a)(5)(C) Disqualified severance pay
- DEPARTMENT OF LABOR; JOINT FISCAL OFFICE – UNEMPLOYMENT TRUST FUND MODEL (*S.290 - Section 10*)
  - Ø Facilitate ability to model at joint fiscal office

### **January 2012:**

- §1321 – TAXABLE WAGE BASE CHANGES – \$16,000 (*S.290 - Section 2*)

### **July 2012:**

- §1338a – DISREGARDED EARNINGS – 30% of wages or \$40 (whichever is greater) (*S.290 - Section 4*)
- §1343 – CONDITIONS AND CLAIMANT RESPONSIBILITIES (*S.290 - Section 6*)
  - Ø (a)(1) minor language change
  - Ø (a)(4) reinstates mandatory waiting period claim
    - § NOTE: as written, waiting period will not be required if severance pay is paid/denied at initial claim.
- §1458 – SHORT-TIME COMPENSATION BENEFITS (*S.290 - Section 9*)
  - Ø Re-instates necessity for waiting period under the STC program

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- REPEALS (*S.290 - Section 16*)
    - Ø (a) repeal of waiting period in 2017 or when fund becomes positive as of December 31, whichever is later